<u>Article 5:</u>   <u>Overview of Agreement Authority</u>.

5.1   The Parties are authorized to meet, exchange information, discuss, negotiate and agree upon the formulation of any lawful agreement permitting the rationalization of service, equipment or capacity in all or any part of the Trade by slot charter, joint service or otherwise; provided, however, that no such agreement may become effective until all governmental conditions required to be fulfilled prior to its effectiveness shall have been fulfilled.

5.2   <u>Space and Vessels</u>.

a)   Subject to Article 5.2(g)<u>:</u>

<u>(i)</u> the Parties shall employ seven (7) vessels of approximately 1800/2300 TEU capacity Eastbound (average 14 gwt per TEU) and approximately 2000/2500 TEU capacity Westbound (average 12 gwt per TEU)<u>.</u>

<u>(ii) As from mid-March 2004, the Parties shall progressively withdraw the deployed tonnage described in subparagraph (i) above and shall progressively deploy seven (7) vessels of approximately 2500/2800 TEU capacity Eastbound (average 14 gwt per TEU) and approximately 3000/3300 TEU capacity Westbound (average 11 gwt per TEU).</u>

<u>(iii) The vessels described in subparagraphs (i) and (ii) above shall be</u> ~~which are~~ compatible in terms of actual TEU intake and speed capability, able to complete the intended port rotation within 49 days, thus providing a service frequency of approximately 7 days.

f) Intentionally omitted.

g) Without further amendment, the number and size of vessels to be operated hereunder may be increased up to ten (10), each with an approximate capacity of not more than 4500 ~~3000~~ TEUs, subject to agreement of the Parties.

h) The Parties will operate a slot exchange agreement in which each of them is entitled to space in proportion to its contribution of slots. It will be monitored over a cycle in each direction. It is agreed that APL may receive an additional allocation in addition to their